

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 INRE-00 ICAE-00  
AGRE-00 INT-05 DOE-15 SOE-02 NSCE-00 SP-02 AID-05  
EB-08 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 /107 W

-----126126 261524Z /75

O 261509Z MAY 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 2186

AMEMBASSY KINSHASA IMMEDIATE

C O N F I D E N T I A L PARIS 16853

E.O. 11652: GDS

TAGS: EGEN, EINV, CG

SUBJECT: IBM REMOVAL OF FINANCE MINISTRY COMPUTER  
RESULTS IN GOZ INABILITY TO MEET GOVERNMENT PAYROLL

REF: (A) STATE 134345; (B) KINSHASA 5282; (C) KINSHASA  
5328

1. DRAWING UPON REFEELS, THE EMBASSY DISCUSSED THIS  
MATTER WITH MR. DAVID DEY, IBM'S GENERAL MANAGER FOR  
AFRICA AND THE MIDDLE EAST, AND MR. HENRY GEORGE,  
IBM DIRECTOR FOR ZAIRE. MR. GEORGE SAID HE MADE  
THE DECISION TO REPOSSESS THE IBM COMPUTER AFTER  
SEVERAL YEARS OF UNSUCCESSFUL EFFORTS TO OBTAIN OVERDUE  
RENTAL PAYMENTS, AFTER NUMEROUS IBM PROPOSALS TO RESOLVE

THE ISSUE HAD GONE UNANSWERED, AND AFTER HAVING WARNED  
ALL CONCERNED OF WHAT IBM PLANNED TO DO. MR. GEORGE  
SAID THAT THE MINISTRY OF FINANCE HAD REPEATEDLY PROMISED  
TO PAY BUT THESE PROMISES WENT BY AND LARGE UNFULFILLED.  
HE STATED THAT "WE HAVE GONE AS FAR AS WE CAN GO," AND  
THAT IBM IS AND HAS BEEN MORE THAN READY TO DISCUSS ANY  
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VIABLE SOLUTION (INCLUDING PURCHASE OF THE MACHINE) THE  
FINANCE MINISTRY MIGHT OFFER. IBM'S REPRESENTATIVE IN  
ZAIRE HAS BEEN INSTRUCTED TO REMAIN IN CLOSE TOUCH WITH  
THE FINANCE MINISTRY AND THE EMBASSY.

2. IN GEORGE'S VIEW THE ONLY WAY TO OBTAIN PAYMENT IS TO  
STOP THE MACHINES. HE WAS UNIMPRESSED WITH THE ARGUMENT

THAT THE ZAIRIAN GOVERNMENT IS IN SERIOUS FINANCIAL DIFFICULTY. HIS RESPONSE WAS THAT ZAIRIAN OFFICIALS ARE SENDING LARGE AMOUNTS OF HARD CURRENCY TO THEIR PRIVATE ACCOUNTS ABROAD; THE MONEY IS AVAILABLE, IT IS JUST GOING ELSEWHERE. MR. GEORGE SAID HE IS WELL AWARE OF THE DELICATE STATE OF AFFAIRS IN ZAIRE BUT STRESSED THAT HE MUST TREAT ALL HIS CLIENTS THERE IN THE SAME MANNER; IBM HAS ALREADY REPOSSESSED 13 SYSTEMS IN ZAIRE AND THE REMOVAL OF THE FINANCE MINISTRY'S COMPUTER WAS DONE ON MAY 2ND, I.E., BEFORE THE SHABA EVENTS. (MR. GEORGE SAID HE PLANS TO APPROVE THE ZAIRIAN ARMY'S REQUEST FOR A L L/2 MONTH EXTENSION IN VIEW OF THE DIFFICULTIES FACING THE ARMY.)

3. REGARDING PAYROLL PROCESSING, MR. GEORGE UNDERSTANDS THAT THE MAY PAYROLL WAS DONE AND THAT ARRANGEMENTS HAVE BEEN MADE TO DO FUTURE PAYROLLS AT GECAMINES' OFFICE IN LUBUMBASHI. IN THIS REGARD MR. GEORGE STATED THAT IBM'S THREE TECHNICIANS IN LUBUMBASHI WOULD REMAIN, BARRING FORCE MAJEURE, BUT THAT EXPATRIATE DEPENDENTS IN BOTH LUBUMBASHI AND KINSHASA WERE BEING EVACUATED.

4. COMMENT: DURING THE DISCUSSION WE SOUGHT TO IMPRESS UPON MR. GEORGE THE POTENTIALLY SERIOUS IMPLICATIONS FOR ZAIRE OF HIS DECISION. WE ALSO NOTED THAT, OF COURSE, IBM MUST DECIDE WHAT IS IN ITS OWN BEST INTERESTS  
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(REFTEL B). WE CONCLUDE THAT MR. GEORGE IS UNLIKELY TO REVERSE HIS DECISION TO REPOSSESS THE FINANCE MINISTRY'S COMPUTER UNLESS HE IS OVERRULED BY SOMEONE HIGHER IN THE IBM HIERARCHY. WE ARE PREPARED, IF THE DEPARTMENT SO REQUESTS, TO ESCALATE THIS MATTER TO A HIGHER LEVEL IN IBM.  
HARTMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, WAGES, COMPUTERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PARIS16853  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780223-0183  
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**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 134345, 78 KINSHASA 5282  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 28 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IBM REMOVAL OF FINANCE MINISTRY COMPUTER RESULTS IN GOZ INABILITY TO MEET GOVERNMENT PAYROLL  
**TAGS:** EGEN, EINV, CG  
**To:** STATE KINSHASA  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/57d6b695-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014